

Message Text

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51

ACTION NEA-12

INFO OCT-01 EUR-25 ISO-00 AGR-20 EB-11 AID-20 TRSE-00

COME-00 CU-04 OMB-01 OPR-02 SCI-06 HEW-08 CIEP-02

STR-08 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15 USIA-15

ACDA-19 IO-13 DRC-01 /224 W
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R 141525Z SEP 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 6794

INFO AMEMBASSY ISLAMABAD

AMEMBASSY KATHMANDU

AMEMBASSY LONDON

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

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PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, IN

SUBJ: WEEKLY FOODGRAIN SITUATION

REF: NEW DELHI 10473

BEGIN SUMMARY - THE SUPPLY OF FOODGRAINS AND SEVERAL OTHER FOODS
CONTINUES TO BE TIGHT. INCREASED MARKETING OF HOARDED GRAIN
PLUS THE HARVESTING OF EARLY MATURING HYBRID VARIETIES OF COARSE
GRAINS (IN SOME REGIONS) ARE HELPING TO ALLEVIATE THE OVERALL
FOODGRAIN SHORTAGE PROBLEM. FOOD RIOTS OCCURRED IN MYSORE
STATE WHICH RESULTED IN TWO DEATHS. THE OVERALL MONSOON
PERFORMANCE CONTINUES GENERALLY GOOD WITH A FAVORABLE OUTLOOK
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FOR FALL HARVESTED CROPS. IN SOME AREAS, SUBSTANTIAL CROP

LOSSES AND OTHER DAMAGE HAVE BEEN CAUSED BY FLOODS. CENTRAL OFFICIALS, HOWEVER, DO NOT BELIEVE THAT OVERALL FLOOD DAMAGE IS UNUSUALLY HIGH. END SUMMARY

1. FOODGRAINS AND SEVERAL OTHER FOODS SUCH AS EDIBLE OIL, EGGS, BUTTER, MILK, AND SUGAR CONTINUE TO BE IN SHORT SUPPLY. THE SUPPLY OF BAKERY BREAD IS LIMITED AND IRREGULAR IN MOST URBAN CENTERS DUE TO THE WHEAT/FLOUR SHORTAGE. CHAPPATIS (A NON-LEAVENED TYPE OF LOCAL BREAD MADE FROM VARIOUS CEREAL GRAINS AND SOMETIMES CHICKPEAS) ARE BEING USED IN LIEU OF BAKERY BREAD. FURTHER REDUCTIONS IN FOODGRAIN RATIONS ARE EXPECTED DURING THE LAST HALF OF SEPTEMBER AND IN OCTOBER. FOR EXAMPLE, THE TOTAL FOODGRAIN RATION IN BOMBAY IS EXPECTED TO BE REDUCED FROM 3.5 TO 2.5 KGS PER ADULT FOR THE LAST HALF OF SEPTEMBER. FURTHER REDUCTIONS ARE EXPECTED IN URBAN CENTERS INCLUDING CALCUTTA IN OCTOBER.

2. HOARDED GRAIN IS BEING MARKETED IN INCREASINGLY LARGE QUANTITIES THROUGH FREE MARKET (BLACK MARKET) CHANNELS AT PRICES GENERALLY TWO OR THREE TIMES HIGHER THAN RETAIL PRICES AT GOVERNMENT CONTROLLED FAIR PRICE SHOPS WHERE SUPPLIES ARE EITHER LIMITED OR NOT AVAILABLE. EARLY MATURING HYBRID VARIETIES OF SORGHUM AND MILLET ARE BEING HARVESTED IN SOME AREAS OF SOUTHERN AND CENTRAL INDIA AND EARLY MATURING CORN IS BEING MARKETED IN NORTHERN INDIA. THESE EARLY GRAIN HARVESTS ARE HELPING TO ALLEVIATE THE OVERALL FOODGRAIN SHORTAGE PROBLEM.

3. STUDENT DEMONSTRATIONS IN MYSORE STATE ON SEPTEMBER 13 DEVELOPED INTO FULL-FLEDGED FOOD RIOTS INCLUDING LOOTING AND BURNING OF FOOD SHOPS. POLICE FIRED ON THE MOB WHICH RESULTED IN TWO DEATHS. IN TAMIL NADU STATE POLICE MADE MORE THAN 8,000 PREVENTIVE ARRESTS ON SEPTEMBER 12 IN ORDER TO MINIMIZE THE DANGER OF WIDESPREAD DISTURBANCES IN ANTI-PRICE-RISE DEMONSTRATIONS WHICH OCCURRED ON SEPTEMBER 13. AVAILABLE INFORMATION INDICATES THESE DEMONSTRATIONS WERE GENERALLY PEACEFUL.

4. MONSOON RAINS FOR THE WEEK ENDING SEPTEMBER 12 WERE BELOW NORMAL IN MOST REGIONS. HOWEVER, SINCE THE BEGINNING OF THE MONSOON SEASON ON JUNE 1, CUMULATIVE RAINFALL HAS BEEN NORMAL OR ABOVE NORMAL IN 31 OF THE 35 WEATHER ZONES IN INDIA.

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SEVERAL REGIONS INCLUDING WEST BENGAL, GUJARAT, BIHAR, ORISSA, MADHYA PRADESH AND RAJASTHAN RECEIVED UNUSUALLY HEAVY RAINS IN RECENT DAYS WHICH RESULTED IN LOSS OF LIVES, CROP DAMAGE AND DISRUPTION OF TRANSPORTATION WHICH IN TURN SERIOUSLY INTERRUPTED THE MOVEMENT OF FOODGRAINS TO DEFICIT AREAS. GOI OFFICIALS IN DELHI CONTINUE TO BELIEVE THAT THE BENEFICIAL EFFECTS OF THE HEAVY RAINS IN THE WATER SHED AREAS WILL COMPENSATE FOR THE CROP LOSSES IN THE FLOODED AREAS. THE GOI IS

DESPATCHING SURVEY TEAMS TO THE WORST FLOODED AREAS TO ASSESS THE DAMAGE AND DETERMINE THE LEVEL OF EMERGENCY ASSISTANCE THAT SHOULD BE PROVIDED BY THE CENTER.

5. ON SEPTEMBER 15, THE ALL INDIA CONGRESS COMMITTEE (AICC) WILL REVIEW THE OVERALL ECONOMIC SITUATION INCLUDING FOOD AND AGRICULTURE. THE COMMITTEE IS EXPECTED TO DISCUSS AND MAKE RECOMMENDATIONS ON QUESTIONS SUCH AS GOVERNMENT PROCUREMENT PRICES FOR FALL HARVESTED GRAINS AND THE GOVERNMENT TAKE-OVER OF WHOLESALE TRADE IN RICE. FOLLOWING THE AICC MEETING, THE STATE CHIEF MINISTERS WILL MEET ON SEPTEMBER 17 TO REVIEW THE RECOMMENDATIONS OF THE AICC AND PRESUMABLY AGREE UPON GOVERNMENT PROCUREMENT PRICES FOR FALL HARVESTED GRAIN AND POSSIBLY WHEAT PROCUREMENT PRICES FOR THE 1974 SPRING HARVEST. WE UNDERSTAND THE RICE TRADE TAKE-OVER QUESTION HAS BEEN RESOLVED AND THAT THIS MEETING WILL FORMALIZE THE DECISION AGAINST GOVERNMENT TAKE OVER OF RICE TRADE THIS YEAR.

6. DURING THE PAST WEEK, DR NORMAL BORLAUGH, 1970 NOBEL PRIZE WINNER FOR HIS WORK ON DEVELOPING HIGH-YIELDING VARIETIES OF WHEAT, VISITED INDIA TO REVIEW THE WORK OF INDIAN SCIENTISTS ON HIGH YIELDING VARIETIES OF FOODGRAINS. DR BORLAUGH WAS VERY FAVORABLY IMPRESSED WITH THE WORK BEING DONE IN DEVELOPING IMPROVED VARIETIES OF HIGH-YIELDING RICE. HE BELIEVES A BREAKTHROUGH IN RICE PRODUCTION CAN BE EXPECTED DURING THE NEXT ONE OR TWO YEARS PROVIDED THE NECESSARY INPUTS (ESPECIALLY FERTILIZER) ARE AVAILABLE AND PROPERLY USED AND THAT INCENTIVE PRICES ARE PAID TO PRODUCERS. HE WAS CONCERNED, HOWEVER, ABOUT THE DISEASE PROBLEM (RUST) INDIA IS ENCOUNTERING WITH HIGH-YIELDING VARIETIES OF WHEAT AND POINTED OUT THAT IT WILL TAKE TWO OR THREE YEARS TO DEVELOP RUST RESISTANCE VARIETIES TO OVERCOME THIS PROBLEM.

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